

LEGISLATIVE FISCAL OFFICE

INTERIM EMERGENCY BOARD - FISCAL INFORMATION

Applicant's Name: Delgado Community College

Amount: \$2,827,5000

 X State Agency

 Local Political Subdivision

Summary of Request:

Delgado's HVAC physical plant has been in need of repair for many years because most of the system is between 25 to 30 years old. For at least the last four years, the Board of Regents (BOR) has approved elements of this request and placed them in the top 10 projects on the BOR emergency capital outlay request that has not been funded by the Division of Administration. This IEB requests funding for the replacement and repair of the system.

Was this request:

In agency budget request for current fiscal year?	yes <u> </u> no <u> X </u>
Recommended in Executive Recommendations?	yes <u> </u> no <u> X </u>
Amended into or out of the appropriation or capital outlay bills?	yes <u> </u> no <u> X </u>
Was this item vetoed?	yes <u> </u> no <u> X </u>
Considered by the Interim Emergency Board prior to this request?	yes <u> </u> no <u> X </u>
Is this an "emergency" as defined by Act 334 of 1984?	yes <u> X </u> no <u> </u>

History / Pertinent Information / Analysis relative to this request:

Delgado's requests

Delgado Community College is requesting funding for physical plant repairs in this IEB request. According to college officials, new chillers, a cooling tower, associated piping and pumps are needed because the HVAC system in place is almost 30 years old, hurricane damaged, and is constantly under repair. These repairs are both expensive and disruptive to college operations.

Below is a breakdown of the items and their projected costs:

Removal and replacement of the existing cooling tower,	\$360,000
Removal and replacement of chiller one and two,	\$1,421,000
Removal and replacement of associated controls, condenser and chiller, piping, valves and pumps and replacing them above the floodline,	\$655,000
Removal and replacement of existing louver panels in the north and west walls of the power plant building,	\$42,000
Computer control software	\$7,500
Temporary chiller rental	\$85,000
Professional fees and permits	\$257,000
Total	\$2,827,500

History

The Division of Administration has consistently declined to recommend funding for this project in the prior years. The Office of Facility Planning and Control (FP&C) notes that the request would have been approved but hurricane damage to the campus and area made these repairs unfeasible at the time because the time at which the school was projected to return to operation was unknown. FP&C did not provide information explaining why the request was denied by the DOA in previous years. Other BOR projects, ranked less important by the board, were approved and funded over the same time period. Since 1997, Delgado has spent over \$251,000 in repairs to the system.

Current Situation

The LFO visited and extensively photographed the site on January 8, 2007. Upon inspection, the existing equipment appeared old and in various states of disrepair. The cooling tower was significantly damaged and piping from the cooling tower to the chillers was leaking copious amounts of water while the system was in operation which reduced the efficiency of the units. The cooling tower also appeared to be suffering from wind damage. Inside the physical plant building, one of the existing chillers had been disassembled and extensive evidence of water inundation was visible. Delgado officials doubted that the disassembled chiller could be brought back online, leaving the school with one aging chiller with diminishing capacity. Some of this damage was obviously hurricane-related, but most of it appeared to result from the age of and wear and tear on the system.

After Hurricane Katrina, most of the Delgado campus flooded and the Federal Emergency Management Agency (FEMA) provided \$1.2 million to fix piping that had been damaged by floodwaters. There is a dispute between the college and Facility Planning and Control as to whether or not FEMA can or will provide additional funding to fix the HVAC system. Delgado officials contend that FEMA will only provide funding to bring the damaged system to its pre-hurricane status, which in this case, was a 30-year-old system in need of major repairs. Facility Planning and Control officials maintain that FEMA will pay for "hazard mitigation", which includes a portion of Delgado's requested repairs to raise the control equipment above the floodline. The LFO does not know if FEMA will pay for anything or if they do, in a reasonable time frame.

RECOMMENDATION:

The LFO recommends approval of this IEB in the reduced amount of \$800,000. This amount will fund the purchase and installation of one 600-ton chiller. Facility Planning and Control has analyzed the technical aspects of this request and decided to recommend replacing one chiller and putting the rest of the repairs on the capital outlay request list again. Facility Planning and Control said this is just a temporary repair until this project can be considered in the regular capital outlay process and would give the college an opportunity to pursue FEMA funding for a portion of this project. If the entire project is not funded in some fashion in the near future, the system can be expected to require more repairs.

THE INTERIM EMERGENCY BOARD APPROVED THIS REQUEST IN THE AMOUNT OF \$800,000 TO FACILITY PLANNING AND CONTROL.